

Senate Bill 31

By: Senators Balfour of the 9th, Tarver of the 22nd, Rogers of the 21st, Powell of the 23rd, Tolleson of the 20th and others

AS PASSED

AN ACT

To enact the "Georgia Nuclear Energy Financing Act"; to amend Code Section 46-2-25 of the Official Code of Georgia Annotated, relating to the procedure for changing any rate, charge, classification, or service, so as to provide for a utility to recover from its customers the costs of financing associated with the construction of a nuclear generating plant; to provide a short title; to provide for the calculation and collection of the financing costs; to provide for the Georgia Public Service Commission to exercise discretion in setting the level of assistance for senior and low income customers; to provide the commission with the authority to authorize any specific accounting treatment for the costs recovered; to provide for review by the commission as to whether the costs recovered are being properly recorded; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

This Act shall be known and may be cited as the "Georgia Nuclear Energy Financing Act."

SECTION 2.

Code Section 46-2-25 of the Official Code of Georgia Annotated, relating to the procedure for changing any rate, charge, classification, or service, is amended by adding a new subsection as follows:

"(c.1)(1) Notwithstanding any provision to the contrary, a utility shall recover from its customers, as provided in this subsection, the costs of financing associated with the construction of a nuclear generating plant which has been certified by the commission. The financing charges shall accrue on all applicable certified costs as they are recorded in the utility's construction work in progress accounts pursuant to generally accepted accounting and regulatory principles as approved by the commission. The financing costs shall be based on the utility's actual cost of debt, as reflected in its annual surveillance report filed with the commission, and based on the authorized cost of equity

capital and capital structure as determined by the commission when setting the utility's current base rates. These financing costs shall be recovered from each customer through a separate rate tariff and allocated on an equal percentage basis to standard base tariffs which are designed to collect embedded capacity costs. The commission shall retain the discretion to consider the effect of this tariff when setting the level of any senior or low income assistance it may authorize; provided, however, that the income qualification for such assistance shall be 200 percent of the federal poverty level.

(2) The commission shall have the authority to authorize any specific accounting treatment for the costs recovered pursuant to this subsection and to review whether costs recovered pursuant to this subsection are being properly recorded.

(3)(A) For any nuclear generating plant certified by the commission on or after July 1, 2009, the utility may begin recovering the costs of financing the construction of the nuclear generating plant at any time within five years after the date on which such nuclear generating plant is certified. Any such costs incurred between the time the plant is certified and the time the utility begins recovering its cost shall be accrued, capitalized, and included in the balance of the account and then amortized over the next five years following the date on which the utility begins recovering the costs of financing the construction and shall be recovered with one-fifth of those deferred costs being recovered each year for five years.

(B) For any nuclear generating plant certified by the commission on or after January 1, 2009, and before July 1, 2009, the utility shall begin recovering on January 1, 2011, any costs of financing the construction of the nuclear generating plant. Any such costs incurred prior to January 1, 2011, shall be accrued, capitalized, and included in the balance of the account and then amortized over the next five years following January 1, 2011, and shall be recovered with one-fifth of those deferred costs being recovered each year for five years.

(4) The costs recoverable pursuant to this subsection shall be recalculated and the level of the charges reset annually if necessary to reflect the level of construction costs expected to be incurred in the next 12 months consistent with the certificate and the financing costs expected to be incurred for the next 12 months together with a balanced accounting of actual expenditures and financing costs incurred in the preceding period.

(5) The financing costs associated with a nuclear generating plant which has been certified by the commission shall continue to be recovered between the time that the generating plant begins commercial operation and until the next general rate case filed by the utility becomes effective, at which time the financing costs being collected for any

generating plants which are then in commercial operation shall be included in the general revenue requirements of the utility and collected in the general base rates of the utility."

SECTION 3.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.